

Senate File 2147 - Introduced

SENATE FILE 2147

BY RAGAN and MATHIS

A BILL FOR

1 An Act relating to the validation of Medicaid managed care
2 organization encounter data, providing an appropriation, and
3 providing an effective date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. MEDICAID MANAGED CARE ORGANIZATION ENCOUNTER
 2 DATA VALIDATION AUDIT — REQUEST FOR PROPOSALS. The department
 3 of human services and the auditor of state shall jointly
 4 design and issue a request for proposals to contract for the
 5 performance of a third-party audit to validate encounter data
 6 collected and reported by Medicaid managed care organizations
 7 to the department. The audit shall be designed to determine
 8 if Medicaid managed care organizations are providing encounter
 9 data that, at a minimum, is complete, accurate, consistent,
 10 and timely and that complies with federal and contractual
 11 requirements related to the collection and reporting of
 12 encounter data. The audit shall also be designed to determine
 13 whether the type and quality of the encounter data collected,
 14 at a minimum, strengthens the state's capacity for federal
 15 compliance and managed care program oversight and program
 16 integrity; for quality measurement, monitoring, and reporting;
 17 for capitation rate setting; and for policymaking and decision
 18 support. The department and the auditor of state shall
 19 jointly evaluate the third-party proposals received, select
 20 and contract with the third-party auditor by July 1, 2022, and
 21 monitor and review the third-party auditor's audit and report
 22 which shall be submitted jointly to the department and the
 23 auditor of state no later than December 15, 2022.

24 Sec. 2. MEDICAID MANAGED CARE ORGANIZATION ENCOUNTER DATA
 25 VALIDATION AUDIT — APPROPRIATION. There is appropriated
 26 from the general fund of the state to the department of human
 27 services and the auditor of state the following amount or
 28 so much thereof as is necessary to be used for the purposes
 29 designated:

30 For a request for proposals process and resulting third-
 31 party audit to validate encounter data collected and reported
 32 by Medicaid managed care organizations as provided in this Act:
 33 \$ 250,000

34 A portion of the moneys appropriated under this section may
 35 be used by the department of human services and the auditor of

1 state for administrative expenses related to the request for
2 proposals process and the audit as provided in this Act. The
3 department of human services shall seek and obtain any Medicaid
4 matching funds available to defray the costs of the requests
5 for proposals process and audit.

6 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate
7 importance, takes effect upon enactment.

8 EXPLANATION

9 The inclusion of this explanation does not constitute agreement with
10 the explanation's substance by the members of the general assembly.

11 This bill requires the department of human services (DHS)
12 and the auditor of state (auditor) to jointly design and
13 issue a request for proposals (RFP) for the performance of a
14 third-party audit to validate encounter data collected and
15 reported by Medicaid managed care organizations (MCOs) to
16 DHS. The audit shall be designed to determine if the MCOs
17 are providing encounter data that, at a minimum, is complete,
18 accurate, consistent, and timely and that complies with federal
19 and contractual requirements related to the collection and
20 reporting of encounter data. The audit shall also be designed
21 to determine whether the type and quality of the encounter data
22 collected, at a minimum, strengthens the state's capacity for
23 federal compliance and for managed care program oversight and
24 program integrity; for quality measurement, monitoring, and
25 reporting; for capitation rate setting; and for policymaking
26 and decision support. DHS and the auditor shall jointly
27 evaluate third-party proposals received, select and contract
28 with the third-party auditor by July 1, 2022, and monitor and
29 review the third-party auditor's audit and report which shall
30 be submitted jointly to DHS and the auditor no later than
31 December 15, 2022.

32 The bill appropriates \$250,000 from the general fund of
33 the state to DHS and the auditor for the RFP process and the
34 resulting third-party audit as provided in the bill. A portion
35 of the moneys appropriated may be used by DHS and the auditor

1 for administrative expenses related to the RFP process and the
2 audit. DHS shall seek and obtain any Medicaid matching funds
3 available to defray the costs of the RFP and audit.
4 The bill takes effect upon enactment.